
To: 2010A-C Tax Credit Applicant

Notice: 09-33

From: IHCD Multi Family Department

Date: November 19, 2009

Re: **Revision to the 2009-2010 QAP and 2010A-C Applicant Guidance**

IHCDA is committed to helping our partners navigate the complexities of assembling a Section 42 tax credit application.

In an effort to further this commitment, the Multi-Family Department recently held three listening sessions across the state. The purpose of these sessions was to elicit feedback from our partners regarding concerns or issues they have about preparing the December 18, 2009 tax credit application.

The prevailing theme from these sessions was the uncertainty in forecasting the value of the tax credit in 2010. As a result of this concern, the 2009-2010 QAP Threshold requirement for the lender and equity letter are being relaxed to provide additional time to obtain the required documentation. By delaying the lender and equity letter, applicants will be given the opportunity to discuss the value of credits with equity investors at a time when they have secured a conditional reservation of credits.

Below are two revisions to the 2009-2010 QAP Threshold criteria and additional guidance to help prepare the 2010A-C application. It is important to note that all other Threshold criteria will remain in effect during the 2010A-C round.

2009-2010 QAP Revision - Threshold Required Documentation:

F.2 (e)(4)(a): Lender Letter of Interest – The lender letter of interest will not be required to be submitted with the initial application. If the applicant receives a Conditional Commitment Reservation on March 25, 2010, the applicant will be required to submit the lender letter of interest by July 26, 2010.

F.2(e)(4)(c): Equity Letter of Interest - The equity letter of interest will not be required to be submitted with the initial application for developments with a credit price at or below 73 cents. Applications that submit a credit price at or above 74 cents must submit the equity letter of

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interest as required in the threshold requirement section. If the applicant receives a Conditional Commitment Reservation on March 25, 2010, the applicant will be required to submit the equity letter of interest by July 26, 2010.

IHCDA Resource Guidance:

1602 Exchange Program - Applicants are prohibited from identifying and applying for the 1602 Exchange funds at the time of the December 18, 2009 initial application deadline. If the applicant receives a Conditional Commitment Reservation on March 25, 2010, the applicant may identify 1602 Exchange funds as a source of funds by submitting a revised page 40, "Source of Funds" located in Form A.

Applicants will only be eligible to apply for 1602 Exchange funds if 1) they received a Conditional Commitment Reservation on March 25, 2010 **and** 2) they meet the 1602 Exchange Program Policy and Procedures Threshold Eligibility requirements.

Tax Credit Assistance Program (TCAP) - Applicants are prohibited from identifying and applying for TCAP funds.

Community Development Block Grant Supplemental Disaster Recovery Funds - Applicants are prohibited from identifying and applying for the Community Development Block Grant – Supplement Disaster Recovery Funds.

HOME and Indiana Development Fund – Applicants who request HOME or the Indiana Development Fund may have their request substituted for Community Development Block Grant Supplemental Disaster Recovery Funds. The decision to substitute for CDBG-DR Funds will be made by IHCDA, with the opportunity for the applicant to accept or reject the substitution.

Additional Guidance:

Market Studies – IHCDA has updated the "[IHCDA Funded Rental Properties](#)" spreadsheet with the latest reservations from the 2009A-C waiting list. Please ensure all market studies capture the most current information from the spreadsheet dated November 18, 2009.

Appendix C: Local Housing Need - Appendix C will be updated with the latest information the week of December 7, 2009.

Appendix F: QCT, DDA, & Areas of Chronic Economic Distress – Appendix F was updated in the [MFD Notice 09-032](#) on October 20, 2009.

Threshold F.2 (q): Underwriting Guidelines – The published underwriting guidelines will remain in effect during the 2010A-C round.

